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PASS TO EUR/PRA, ISN/CATR, INR/SPM

EO 12958 DECL: 01/13/2019
TAGS ETTTC, PARM, PINR, AM
SUBJECT: (S/NF) CONSTRUCTIVE TALKS ON EXPORT CONTROL ISSUE

REF: A. 08 YEREVAN 1040 B. 08 YEREVAN 1051
Classified By: Amb. Marie L. Yovanovitch, reasons 1.4 (b,d)

SUMMARY AND COMMENT

1. (S/NF) The separate meetings on January 14 with NSS Chairman Hakobian and President Sargsian regarding the Iran export control issue were 1
2. (S/NF) Somewhat surprisingly, the President has reversed the mantra he has repeated for the last four months that the weapons transfer "dic

MEETING WITH NSS CHAIRMAN HAKOBIAN: BETTER THAN EXPECTED

3. (S/NF) Ambassador Mahley and his delegation met with NSS Chairman Hakobian on January 14 to discuss Armenia,s role in an arms transfer to I
4. (S) Mahley, drawing from the points in paragraph 18, laid out the U.S. evidence for our assertion that Armenia facilitated Iran,s acquisiti
financial document showed that the money for the deal came from an Iranian front company through an Armenian bank to Bulgaria.

POINTING THE FINGER AT BULGARIA

5. (S/NF) Hakobian made clear that the information was "clear" and "without doubt." He assured Mahley that he would launch an investigation ar
6. (S/NF) Hakobian was also very concerned with how the goods were transferred to Armenia. In reviewing the invoice, he noted that the goods w
7. (S/NF) Mahley responded that it was the U.S. assessment that the documents clearly show a deal between the Armenian entity XXXXXXXXXXXX and
U.S. LAWS AND GOALS

8. (S/NF) Leaving aside Armenia,s intention to investigate, Mahley reviewed with Hakobian what the goals of the U.S. were for this situation.
9. (S/NF) After the presentation of the additional information on this case, Hakobian appeared to understand the consequences of this activity

MEETING WITH PRESIDENT SARGSIAN

10. (S/NF) Later in the afternoon, President Sargsian received Ambassador Mahley. Sargsian opened the meeting by noting that building relatio
11. (S/NF) Mahley noted the earlier constructive meeting with the NSS and said that he would like to brief the President directly on the expor
12. (S/NF) Ambassador Mahley clarified that the information we were sharing was obtained by the USG using its own sources and methods. Earlier
13. (S/NF) Ambassador Mahley stated that the reason the team of experts is in Armenia is that the Administration wants to move forward to finc

This was what Deputy Secretary Negroponte conveyed in his letter to Sargsian.

GOAM READY TO DISCUSS MOU

14. (S/NF) Mahley indicated that he was ready to discuss with the GOAM a proposed Memorandum of Understanding (MOU) with GOAM experts, which t
15. (S/NF) Mahley shared that he had briefed Congress and that there was considerable interest in the case since the weapons had led to the de
16. (S/NF) President Sargsian responded that he had understood two things from previous conversations on this subject: 1) information-sharing
17. (S/NF) President Sargsian said the GOAM wants to cooperate with the U.S. on export control and will examine the MOU. He said he had certai

I.C.-CLEARED TALKING POINTS DELIVERED TO GOAM

18. (S/REL ARMENIA) -- Between April 2006 and June 2008, Coalition forces in Iraq
recovered multiple RPG-22 antitank weapons and PKM machine guns.
-- These weapons bore Bulgarian factory markings and were tracked through a sales arrangement that took the weapons through Armenia to Iran.
-- We have information that in early January 2003 the Bulgarian firm XXXXXXXXXXXX and the Armenian Ministry of Defense (MOD) completed a weapon
-- Financial records for the RPG-22 and PKM sale identify the
ordering customer as XXXXXXXXXXXX, someone known by the U.S. to be associated with Iranian arms acquisitions.
-- An RPG-22 attack on a US armored vehicle in Iraq on January 31, 2008 killed one US soldier and wounded three. Factory markings on the recove
-- US military personnel discovered an arms cache in Baghdad on February 15, 2008 that belonged to Hizballah Brigades -- an Iranian-backed Iraq
Bulgarian firm XXXXXXXXXXXX and part of the sale to Armenia in January
2003. -- Two RPG-22 launch tubes were recovered following an attack
that wounded three US military personnel in Baghdad in mid- March 2008. The lot and serial numbers on the recovered tubes matched those origins
- Islamic Resistance of Iraq - Hizballah Brigades" -- the name of the same Iranian-backed Iraqi militant group.

(SECRET//REL Armenia) YOVANOVITCH